

## **PART 5**

### **OPERATING PROCEDURES**

# LONG ISLAND CHOICE OPERATING PROCEDURES

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# LONG ISLAND CHOICE OPERATING PROCEDURES

## 1.0 INTRODUCTION

### 1.1 Purpose

The purpose of these LI Choice Operating Procedures is to provide procedures and requirements for implementation of the LI Choice Program within the LIPA service area. A list of definitions, including acronyms, is set forth in Section 2.0. The Program allows retail customers to choose an ESCO to provide their Electric Generation Service. The Program allows certain customers, who meet the criteria described herein, to become DRCs and therefore accept responsibility for certain functions provided to other LI Choice customers by ESCOs. The procedures and requirements in these Operating Procedures are designed to promote competition and increase customer choice while maintaining a safe, reliable, and environmentally responsible operating environment.

The Operating Procedures:

- Identify the responsibilities of participating customers, ESCOs, and DRCs, the Long Island Power Authority and the Authority's subsidiary, LIPA, the owner and operator of the transmission and distribution system on Long Island, in the LI Choice Program;
- Set forth the procedures for enrollment of customers in the Program ;
- Identify the requirements to become a Licensed ESCO or DRC;
- Set forth billing and payment procedures for LIPA, ESCOs, and DRCs and LI Choice Customers; and
- Set forth consumer protection measures that must be followed by ESCOs.

The Operating Procedures also set forth procedures an ESCO or DRC must follow to schedule delivery of Electric Generation Service to retail customer loads and requirements for on- and off-Island installed capacity. In all cases, whether or not explicitly stated, the capacity in which an ESCO schedules delivery services for a Long Island Choice Customer is one of agent appointed by the Customer to act on her or his behalf and not of principal.

### 1.2 Incorporation by Reference

The terms and conditions of the following documents are incorporated by reference into these Operating Procedures and are made a part hereof:

- 1.2.1 Tariffs, rules and procedures of the NYISO, as applicable, associated with the purchase, sale, transmission and distribution of electric energy, installed capacity, and ancillary services, as the same may be amended, modified, supplemented, or superseded from time to time.
- 1.2.2 Energy Service Company Operating Agreement, or Direct Retail Customer Operating Agreement, as applicable.
- 1.2.3 LIPA's Tariff for Electric Service, as the same may be amended, modified, or supplemented from time to time by the Authority.
- 1.2.4 These Operating Procedures as the same may be amended, modified, supplemented or superseded from time to time.
- 1.2.5 Decisions by the Authority or its Chairman involving the Program.

## **2.0 DEFINITIONS**

### **2.1 Authority**

The Long Island Power Authority, a corporate municipal instrumentality and political subdivision of the State of New York. Reference to the Long Island Power Authority does not refer to its subsidiary, LIPA, defined in 2.12 below.

### **2.2 Bundled Service**

The services offered by LIPA under Sections I-VIII of LIPA's Tariff for Electric Service. LIPA's Bundled Service includes LIPA-provided Electric Generation Service as part of the total service.

### **2.3 Bundled Service Tariff**

Sections I-VIII of LIPA's Tariff for Electric Service.

### **2.4 Direct Retail Customer ("DRC")**

An Eligible Customer that acts without an ESCO to contract for and supply Electric Generation Service and related services solely for its own use. A DRC is also considered a LI Choice Customer. A DRC is known as a "Direct Customer" to the NYISO.

### **2.5 Electric Generation Service**

The procurement and transmission of the "commodity of electricity" which is electric energy ,capacity and related ancillary services to the LIPA system, but not including their transmission or distribution across LIPA's receipt points or along LIPA's electric system to the Customer meter.

### **2.6 Eligible Customer**

A customer that meets the eligibility criteria set forth in the LI Choice Tariff.

### **2.7 Energy Service Company ("ESCO" or "Licensed ESCO")**

An entity that performs electric supply, transmission and customer service functions in a competitive environment, including producing or contracting for and supplying Electric Generation Service and related services, and procuring and scheduling transmission and ancillary services to deliver the Electric Generation Service purchased by Participating Customers to the LIPA system.

**2.8 Installed Capacity (“ICAP”)**

The installed capacity that must be maintained by Load Serving Entities (LSEs) in accordance with NYISO requirements. An LSE’s total ICAP requirement is based on forecasted peak load at customer meters adjusted for line losses and reserve margin requirements.

**2.9 LI Choice Program**

The Long Island Choice Program.

**2.10 LI Choice Tariff**

Section IX of LIPA’s Tariff for Electric Service.

**2.11 LIPA**

The subsidiary of the Authority which owns and manages the transmission and distribution system. References to LIPA may also include LIPA’s Manager which is responsible for providing services on behalf of LIPA under terms of the Management Services Agreement.

**2.12 Non-Residential Customer**

All other service classifications defined as eligible customers in the LI Choice Tariff and not included as Residential Customers.

**2.13 NYISO**

New York Independent System Operator or its successor organization.

**2.14 NYSRC**

New York State Reliability Council or its successor organization.

**2.15 Participating Customer**

An Eligible Customer who has enrolled in the Program through a Licensed ESCO

## **2.16 Residential Customer**

For purposes of the Program, Customers receiving service under Service Classifications 1, 1-VMRP(L), or 1-VMRP(S), except Customers who receive service under provisions related to Residential Offpeak Energy Storage, Wind Generation and Residential Small Solar Electric Generation.

### **3.0 CUSTOMER ELIGIBILITY AND ENROLLMENT**

#### **3.1 LI Choice Program Phases**

The Long Island Choice Program is a key element of the Authority's plan to foster competition for electricity supply on Long Island. The retail access objectives and the phase-in dates specified herein are targets and the schedule is subject to adjustment. LI Choice is being implemented in three phases:

- 3.1.1 Phase I - The initial phase began with the solicitation and enrollment of customers during the Phase I enrollment period and made retail choice available to both Residential and Non-Residential Customers. Enrollment was limited to a total of 400 MW of LIPA's retail customer load. Power deliveries began August 1, 1999.
- 3.1.2 Phase II - Phase II increased the enrollment limit from 400 MW to 800 MW. DRCs became eligible to participate in Phase II. Power deliveries began May 1, 2000. .
- 3.1.3 Phase III - The 800 MW enrollment limit is removed and nearly all LIPA customers are eligible to participate in LI Choice. Phase III is the final phase of the Program rollout.

#### **3.2 Customer Eligibility Criteria**

- 3.2.1 Other than a DRC, an Eligible Customer whose Electric Generation Service and delivery services would otherwise be provided by LIPA as Bundled Service may choose to purchase Electric Generation Service and related services from an ESCO licensed by the Authority (Licensed ESCO), and delivery service separately from LIPA. Electric Generation Service.
- 3.2.2 To participate in the Program, an Eligible Customer must authorize a Licensed ESCO in writing or by documented electronic or verbal means to act as its agent for procuring Electric Generation Service and arranging for its delivery to the LIPA system and for receiving billing information from LIPA.
- 3.2.3 An Eligible Customer may select only one Licensed ESCO at a time per LIPA customer account. An Eligible Customer with multiple LIPA customer accounts may select a different ESCO for each LIPA customer account.

### **3.3 Enrollment of Eligible Customers by ESCOs**

The process to enroll Eligible Customers in the Program has been designed to ensure that customer confidentiality is protected and customer authorization is auditable. A summary of this process follows.

3.3.1 The Authority provides interested customers with educational materials about the Program.

3.3.2 The Authority maintains a list of active Licensed ESCOs that is available to interested customers. Licensed ESCOs may contact Eligible Customers to solicit enrollment. To participate in the Program, Eligible Customers must enroll through a Licensed ESCO, or as DRCs.

3.3.3 Any Eligible Customer may initiate enrollment by directly contacting a Licensed ESCO.

3.3.4 The Eligible Customer may initiate enrollment with a Licensed ESCO by providing the Licensed ESCO a valid LIPA customer account name and number. The ESCO may wish to obtain and review the customer's historical usage information from LIPA before deciding whether to offer to serve the customer. To obtain this usage information from LIPA, the ESCO must obtain written or documented electronic authorization from the Eligible Customer in substantially the same format as the Written Authorization Form included as Attachment A, or taped verbal authorization by the Eligible Customer which complies with the Authority's Verbal Authorization Script, included in Attachment B.

3.3.5 The ESCO provides LIPA with the Eligible Customer's LIPA electric account name and number. LIPA verifies eligibility and informs the ESCO electronically if the customer is ineligible. Historical usage information is provided for both eligible and ineligible customers. If LIPA is unable to identify the account number or name, the ESCO may correct and resubmit the data.

3.3.6 The customer usage information will typically contain 24-months of usage information ( less if the account has not been active for 24 months). The usage information will typically include:

- service classification
- billing address
- meter number
- meter multiplier

- meter readings
- meter reading dates
- type of meter reading (actual or estimated)
- consumption (including kWh, and kW demand if available, for the particular customer service classification, and on-peak, off-peak or recorded hourly interval data)
- total billing amounts for Bundled Service and taxes and the sales and GRT tax rates

The customer data will not contain payment status or credit information.

Customer usage information is not normalized for weather. Historical customer billing cycle data requests for individual customer accounts will be provided electronically at the time of request. Historical customer billing cycle data requests for multiple customer accounts normally will be provided electronically within one business day of the request, free of charge. Requests for interval data normally will be provided electronically within 3 business days.

3.3.7 For certain customers, additional usage data may be available from LIPA including:

- up to 48 months of monthly or bi-monthly usage data beyond the 24 months of data initially provided; and ,
- up to 60 months of 15-minute recorded interval load data depending upon what is available for a given customer.

Requests for additional historical customer usage information normally will be responded to in 5 business days, by either supplying the requested additional information, specifying when such information will be provided, or advising that such information does not exist. The information will be provided electronically. LIPA will bill the ESCO for such additional information at the charges listed on Leaf No. 306 of the LI Choice Tariff.

3.3.8 All LIPA customer account numbers and any related password and/or encrypted coding requests, and similar information, must be kept confidential by the ESCO and may not be disclosed to others. All historical customer usage information obtained by an ESCO must be kept confidential by the ESCO, and must not be disclosed to others, unless otherwise authorized by the customer. Customer information, such as telephone numbers and service addresses, must also be kept confidential and must not be disclosed to others,

unless otherwise authorized by the customer.

- 3.3.9 An ESCO that agrees to provide Electric Generation Service and related services to an Eligible Customer must provide the Eligible Customer with an Agreement. Residential Customers must receive one of the ESCO's standard Agreements for Residential Customers. Non-Residential Customers must receive an Agreement containing, at a minimum, the provisions required by the Authority for Non-Residential Customers. The Agreement must include the required terms and conditions contained in the LI Choice Phase III Implementation Plan, Part 6. An ESCO may not enroll a customer in LI Choice unless the ESCO has provided the Eligible Customer with this information and with sufficient time to review it and unless the ESCO has obtained an executed signature page or documented electronic or taped verbal acceptance from the Eligible Customer.
- 3.3.10 ESCOs that provide Eligible Customers with Agreements through documented electronic or taped verbal means must send the Eligible Customer a written listing of all terms and conditions as described in Part 6 of the LI Choice Implementation Plan by first class mail (or by e-mail if requested by the customer) within one business day of electronic or taped verbal acceptance by the Eligible Customer.
- 3.3.11 Once an Agreement has been signed or documented electronic or taped verbal acceptance has been received, the ESCO must inform LIPA electronically that the customer has signed an Agreement or electronically or verbally entered into an Agreement and wishes to participate in the Program by enrolling with the ESCO. Enrollment submissions will be time/date stamped by LIPA.

LIPA will send a letter to the customer confirming enrollment in the Program and identifying the ESCO that will provide Electric Generation Service and related services to the customer. The letter will advise the customer to contact LIPA if the customer does not desire to participate in the Program or if the ESCO identified in the letter is not the ESCO with which the customer has an Agreement. If the customer has not contacted LIPA within 5 calendar days of the date of the letter, LIPA will enroll the customer with the ESCO. If the customer contacts LIPA within the specified time period and disputes any information in the letter, the customer will not be enrolled with the ESCO until the customer issues are resolved. If the Eligible Customer notifies LIPA after the specified notice period and before deliveries begin that the enrollment request by the ESCO should be cancelled, LIPA will remove the

Eligible Customer from the ESCO's enrollment list. If LIPA receives notice from the customer that the customer was improperly enrolled in LI Choice, the enrollment will be reversed.

3.3.12 New customer accounts for electric service may take service as participants in the Program without having to initially take Bundled Service from LIPA.

### **3.4 Enrollment of Eligible Customers as DRCs**

A summary of the DRC enrollment process follows.

3.4.1 The Authority will assist customers in making the transition to LI Choice by providing interested customers with educational materials regarding the Program.

3.4.2 Any Eligible Customer desiring to participate as a DRC may initiate enrollment by completing a DRC license application and submitting it to the Authority. Once a DRC license has been approved in accordance with section 4.3, the DRC will be provided with historical billing cycle data and the DRC must inform LIPA electronically of the start date that the DRC wishes to enroll in the Program. Enrollment submissions will be time/date stamped by LIPA. LIPA will send a letter to the customer confirming enrollment. The letter will advise the customer to contact LIPA if the information in the letter is incorrect regarding the customer's desired enrollment date. If the customer has not contacted LIPA within 5 calendar days of the date of the letter, LIPA will enroll the customer. If the customer contacts LIPA within the specified time period and disputes any information in the confirmation letter, the customer will not be enrolled as a DRC until the customer issues are resolved.

3.4.3 The customer usage information that LIPA provides the requesting customer will typically contain 24 months usage information( or less if the account has not been active for 24 months). for the accounts determined to be eligible by LIPA under section 3.4.2.The customer usage information will typically include :

- service classification
- billing address
- meter number
- meter multiplier
- meter readings
- meter reading dates
- type of meter reading (actual or estimated)
- consumption (including kWh, and kW demand if available, for

the particular customer service classification, and on-peak, off-peak or recorded hourly interval data)

- total billing amounts for Bundled Service and taxes and the sales and GRT tax rates

Customer usage information is not normalized for weather. Historical customer billing cycle data requests for individual customer accounts will be provided electronically at the time of request. Historical customer billing cycle data requests for multiple customer accounts normally will be provided electronically within one business day of the request, free of charge. Requests for interval data normally will be provided electronically within 3 business days.

For certain customers, additional usage data may be available from LIPA including the following:

- up to 48 months of monthly or bi-monthly usage data beyond the 24 months of data initially provided and
- up to 60 months of 15-minute recorded interval load data depending upon what is available for a given customer.

Requests for additional historical customer usage information normally will be responded to in 5 business days, by either supplying the requested additional information, specifying when such information will be provided, or advising that such information does not exist. The information will be provided electronically. Fees for providing such additional information will be billed to the requesting customer in accordance with provisions in the LI Choice Tariff.

3.4.4 New customer accounts for electric service may take service as participants in the Program without having to initially take Bundled Service from LIPA.

### **3.5 Enrollment and Program Participation**

#### **3.5.1 Customer Enrollment Verification**

3.5.1.1 LIPA will contact customers who have accounts enrolled with more than one ESCO .The customer will be asked to verify which ESCO the customer has selected. If LIPA cannot verify which ESCO the customer has selected, LIPA will contact the ESCOs for documentation to support the enrollment. If no documentation has been received within 7

calendar days, the Eligible Customer will be enrolled with the ESCO who enrolled the customer first. All affected ESCOs will be notified of the results.

3.5.1.2 If a customer is enrolled as a DRC and with an ESCO, the customer will be enrolled as a DRC and the affected ESCOs will be notified.

### **3.6 Changing ESCOs or DRC Status**

3.6.1 If a LI Choice Customer chooses to change ESCOs or DRC status, the parties involved must follow the procedures listed in Section 3.3 above and Section 3.8 below.

3.6.2 Once an Agreement has been signed or electronically or verbally entered into, or a DRC's license has been approved, the new ESCO or DRC must inform LIPA electronically not less than 10 calendar days prior to the beginning of the next calendar month of the customer's desire to change ESCOs or DRC status. Enrollment submissions will be time/date stamped by LIPA. LIPA will send a letter to the customer confirming participation in the Program, identifying the ESCO or DRC that will provide Electric Generation Service and related services to the customer, and indicating the date when the customer will be switched to the new ESCO or DRC status for participation in the Program. LIPA will also send a notification letter to the LI Choice Customer's current ESCO, informing the ESCO of the switch.

Service start dates for the Program will normally be the first day of a calendar month regardless of the actual date when the customer's meter is read. The letter to the LI Choice Customer will also notify the customer to contact LIPA within 5 calendar days if the information in the letter is incorrect regarding the customer's desire to participate in the Program or if an ESCO identified in the confirmation letter is not an ESCO with which the customer has an Agreement.

If the customer has not contacted LIPA within 5 calendar days, LIPA will switch the customer to service under the new ESCO or DRC status consistent with the information in the confirmation letter. If the customer contacts LIPA within the specified time period and disputes any information in the confirmation letter, the customer will not be switched to the new ESCO or DRC status until the issues are resolved.

If the Eligible Customer notifies LIPA that the request should be

cancelled, after the notification period, the switch will be reversed. If the current ESCO notifies LIPA that the request is not valid, LIPA will contact the LI Choice Customer for verification and then, if warranted, the switch will be reversed.

- 3.6.3 If the process of changing ESCOs or DRC status leaves the LI Choice Customer without an ESCO or DRC to provide service under the Program for the upcoming calendar month, LIPA will switch the customer to LIPA's Bundled Service until the customer obtains the services of an ESCO or DRC and switches from LIPA's Bundled Service to service under the LI Choice Tariff.
- 3.6.4 Transfer of a LI Choice Customer from one ESCO to a different ESCO is not permitted without proper notice to the LI Choice Customer.
- 3.6.5 To return to LIPA's Bundled Service, a LI Choice Customer or DRC must contact LIPA not less than 10 calendar days prior to the beginning of the calendar month when the return is to occur. Upon receipt of such notice, LIPA will send a confirming letter to the customer and notify the ESCO electronically of the return.
- 3.6.6 Whenever a LI Choice Customer makes a change in ESCOs or DRC status, or leaves LIPA Bundled Service to be served by an ESCO or to serve itself as a DRC, or whenever a LI Choice Customer or DRC returns to Bundled Service with LIPA, the change will become effective on the first day of the next calendar month if proper notice has been provided to LIPA.
- 3.6.7 The charge or switching fee associated with changing ESCOs or DRC status or returning to LIPA's Bundled Service is set forth in Leaf No. 283 of the LI Choice Tariff.

### **3.7 Termination or Discontinuance of Service**

- 3.7.1 Termination of Service by LIPA - LIPA may terminate service to a LI Choice Customer in accordance with its Tariff for Electric Service. LIPA will notify the ESCO of such termination regarding LI Choice Customers electronically. During the period of disconnection, a LI Choice Customer's ESCO is no longer obligated to secure Electric Generation Service for the LI Choice Customer, and LIPA is not obligated to provide delivery service to the LI Choice Customer or DRC.

### 3.7.2 ESCO Voluntary Discontinuance of Operations in LIPA's Service Area

3.7.2.1 An ESCO may discontinue operations in LIPA's service area at will (subject to any penalties, fees, and other requirements arising from the ESCO's contractual obligations), upon submission of a written notice to LIPA and the ESCO's LI Choice Customers at least 15 calendar days prior to the discontinuance date. Voluntary discontinuance must be effective on the first day of a calendar month. The notice to LI Choice Customers must inform them of the following:

3.7.2.1.1 The effective date of the ESCO's discontinuance of service ( e.g., May 1, 2000 or September 1, 2001);

3.7.2.1.2 Their option either to select another Licensed ESCO to provide Electric Generation Service and any related services or to return to Bundled Service from LIPA;

3.7.2.1.3 If they do select another ESCO, the new ESCO will file a change of ESCO request with LIPA on their behalf, and there will be no fee charged by LIPA to the customer;

3.7.2.1.4 After the discontinuance and unless and until a new ESCO is selected and the change of ESCO is completed, Bundled Service will be provided by LIPA, unless LIPA has notified the customer that LIPA's delivery services will be terminated on or before the discontinuance date;

3.7.2.1.5 There will be no switching fee charged by LIPA to the customer for a switch back to LIPA, whether as an interim measure until a new ESCO is selected or as a permanent action; and,

3.7.2.1.6 Whenever a LI Choice customer makes a change of ESCOs or a LI Choice customer returns to Bundled Service with LIPA, the change will become effective on the first day of

the next calendar month.

- 3.7.2.2 Within 5 calendar days of its receipt of notice from the ESCO, LIPA will send a notice to the ESCO's customers containing the same information specified in Section 3.7.2.1 above, and also providing a list of Licensed ESCOs.
- 3.7.2.3 If LIPA learns that an ESCO has discontinued operations without giving the proper notice to LI Choice Customers and LIPA, LIPA will inform the Authority of same. LIPA will then promptly provide notice of such discontinuance to all of the ESCO's customers as set forth in Section 3.7.2.1. In that notice, LIPA will also advise the customers that effective on the date of discontinuance, their service is being provided by LIPA as Bundled Service and that payment for such service from the date of the notice until a subsequent change of ESCOs takes place must be made to LIPA.
- 3.7.2.4 If the ESCO does not give the required notice to its LI Choice Customers and to LIPA in accordance with the above requirements prior to discontinuing operations in LIPA's service area, the ESCO's license may be suspended or revoked by the Chairman of the Authority.
- 3.7.2.5. Upon voluntary discontinuance of operations by an ESCO, the ESCO will remain responsible for payment or reimbursement of any and all sums owed under the LI Choice Tariff or under any tariffs on file with the FERC, and service agreements relating thereto, or under any contracts between the ESCO and LIPA. The ESCO will also remain obligated to its LI Choice Customers for any and all sums owed them under the ESCO's Agreements with such customers.
- 3.7.2.6 Upon receipt of a change of ESCO request from a subsequent Licensed ESCO, following a discontinuance notice by an ESCO, LIPA will verify the intended change of ESCO with the LI Choice Customer in accordance with Section 3.6.2 above, and subject to verification, switch the LI Choice customer to the new ESCO.
- 3.7.2.7 If a more expeditious discontinuance process is deemed necessary in a specific situation, the ESCO may request such expedited treatment upon a showing of need to the

Chairman of the Authority, who has the authority to grant such a request upon such terms and conditions as he or she deems fair and appropriate under the circumstances

### 3.7.3 DRC Voluntary Discontinuance of Operations in LIPA's Service Area

3.7.3.1 A DRC may discontinue operations in LIPA's service area at will, upon submission of a written notice to LIPA or enrollment with an ESCO or Aggregator and at least 10 calendar days prior to the discontinuance date. Voluntary discontinuance must be effective on the first day of a calendar month.

3.7.3.2 If a DRC does not give the required notice to LIPA in accordance with the above requirements prior to discontinuing operations in LIPA's service area, the DRC's license may be suspended or revoked by the Chairman.

3.7.3.3 Upon voluntary discontinuance of operations by a DRC, the DRC shall remain responsible for payment or reimbursement of any and all sums owed under the LI Choice Tariff or under any tariffs on file with the FERC, and service agreements relating thereto, or under any contracts between the DRC and LIPA.

3.7.3.4 The customer has the option either to select a Licensed ESCO to provide Electric Generation Service and any related services or to return to Bundled Service from LIPA.

3.7.3.5 Upon receipt of a change of ESCO request, following a discontinuance notice by a DRC, LIPA will verify the intended change of ESCO with the LI Choice Customer in accordance with Section 3.6.2 above, and subject to verification, switch the LI Choice customer to the new ESCO.

3.7.3.6 If a more expeditious discontinuance process is deemed necessary in a specific situation, the DRC may request such expedited treatment upon a showing of need to the Chairman of the Authority, who has the authority to grant such a request upon such terms and conditions as he or she deems fair and appropriate under the circumstances.

### 3.7.4 Discontinuance of Service by an ESCO to an Individual LI Choice

## Customer

- 3.7.4.1 An ESCO may discontinue service to individual LI Choice Customers in LIPA's service area at will (except as may be otherwise provided in its Agreements with its customers and subject to its obligations under such Agreements), upon submission of a notice to those individual LI Choice Customers and LIPA at least 15 calendar days prior to the discontinuance date. The notice to LI Choice Customers will inform them of the following:
- 3.7.4.1.1 The date of the discontinuance;
  - 3.7.4.1.2 Their option either to select a Licensed ESCO to provide Electric Generation Service and any related services or to return to Bundled Service from LIPA.
  - 3.7.4.1.3 If they do select an ESCO, the ESCO will file a change of ESCO request with LIPA on their behalf;
  - 3.7.4.1.4 After the discontinuance and unless and until a new ESCO is selected and the change of ESCO is completed, Bundled Service will be provided by LIPA, unless LIPA has notified the customer that delivery services will be terminated on or before the discontinuance date; and,
  - 3.7.4.1.5 Whenever a LI Choice Customer makes a change of ESCOs or a LI Choice Customer returns to Bundled Service with LIPA, the change will become effective on the first day of the next calendar month.
- 3.7.4.2 If the ESCO does not give the required notice to its LI Choice Customers and to LIPA in accordance with the above requirements prior to discontinuance of service to the LI Choice Customer, the ESCO's license may be suspended or revoked by the Chairman.
- 3.7.4.3 Upon receipt of a change of ESCO request from a subsequent Licensed ESCO, following a discontinuance notice by an ESCO, LIPA will verify the intended change of ESCO with the LI Choice Customer in accordance with

Section 3.6.2 above, and subject to verification, switch the LI Choice customer to the new ESCO.

3.7.5 Involuntary Discontinuance of an ESCO's or DRC's Right to Participate in Long Island Choice

3.7.5.1 The Chairman may revoke an ESCO's or DRC's license to participate in the Program in accordance with the procedures set forth in the LI Choice Tariff.

3.7.5.2 In the event the ESCO's or DRC's license is revoked resulting in the involuntary discontinuation of the ESCO's or DRC's services, LIPA will send notices to the ESCO's LI Choice Customers or the DRC advising them of the following:

3.7.5.2.1 Of the date of the discontinuance;

3.7.5.2.2 Of their option either to select a Licensed ESCO to provide Electric Generation Service and any related services or to return to Bundled Service from LIPA.

3.7.5.2.3 That if they do select an ESCO, the new ESCO will file a change of ESCO request with LIPA on their behalf, and there will be no fee charged by LIPA for the change of ESCO;

3.7.5.2.4 That after the discontinuance and unless and until a new ESCO is selected and the change of ESCO is completed, Bundled Service will be provided by LIPA, unless LIPA has notified the customer that delivery services will be terminated on or before the discontinuance date; and,

3.7.5.2.5 That whenever a LI Choice Customer makes a change of ESCOs or a LI Choice Customer or DRC returns to Bundled Service with LIPA, the change will become effective on the first day of the next calendar month.

3.7.5.3 Upon revocation of an ESCO's or DRC's license by the Chairman, the ESCO or DRC will remain responsible for payment or reimbursement of any and all sums owed under the LI Choice Tariff or under any tariffs on file with

the FERC, and service agreements relating thereto, or under any contracts between the ESCO and LIPA. The ESCO will also remain obligated to its LI Choice Customers for any and all sums owed them under the ESCO's Agreements with such customers.

3.7.5.4 Upon receipt of a change of ESCO request from a subsequent Licensed ESCO or DRC, following a discontinuance notice by an ESCO, LIPA will verify the intended change of ESCO or DRC with the LI Choice Customer in accordance with Section 3.6.2 above, and subject to verification, switch the LI Choice customer to the new ESCO.

### 3.7.6 Customer-Initiated Discontinuance of an ESCO's Service

3.7.6.1 If a LI Choice Customer terminates or cancels its Agreement with an ESCO, the LI Choice Customer must provide at least 10 calendar days notice to the ESCO or terminate or cancel the Agreement in accordance with any notice period provisions of the Agreement, whichever is longer. The Customer will remain obligated to the ESCO for any and all sums owed the ESCO under the Agreement with the ESCO.

3.7.6.2 The ESCO will provide same-day notice electronically to LIPA of termination or cancellation of the LI Choice Customer Agreement. Alternatively, the LI Choice Customer may provide at least 10 calendar days notification to LIPA of termination or cancellation of the ESCO Agreement and LIPA will provide same-day notice to the ESCO electronically and written confirmation to the LI Choice Customer.

3.7.6.3 LIPA will make the necessary changes to the customer's account to return that customer to LIPA's Bundled Service unless the LI Choice Customer makes arrangements for a new ESCO at least 10 calendar days prior to the beginning of the next calendar month. In such case, the parties will follow the procedures set forth in Section 3.6.

## 3.8 Protecting Consumers From Slamming

All Licensed ESCOs must comply with the Authority's requirements and procedures regarding consumer protections. The following enrollment procedure provides protection against slamming (i.e., unauthorized

switching of customers) by requiring customer authorization records to be kept and subject to audit, requiring customer notification prior to switching, and allowing customers to notify LIPA that the switch was not authorized.

- 3.8.1 An Eligible Customer must provide a Licensed ESCO with its valid LIPA customer account number and the name on the customer account.
- 3.8.2 The Licensed ESCO will forward the customer information to LIPA electronically.
- 3.8.3 If an Eligible Customer wishes to enroll with an ESCO or change ESCOs, the ESCO must inform LIPA electronically that the customer has signed an Agreement or electronically or verbally entered into an Agreement with the ESCO.
- 3.8.4 LIPA will send a verification letter to the Eligible Customer and the existing ESCO (if any) confirming enrollment in the Program or a change of ESCOs or DRC status for service under the Program. The verification letter will request that the Eligible Customer or the ESCO (if any) contact LIPA if the switch request information in the letter is incorrect.
- 3.8.5 If the Eligible Customer notifies LIPA within the notification period that the switch request is not valid, the switch will not be made. If the Eligible Customer notifies LIPA after the notification period that the request was not valid, the switch will be reversed. If the current ESCO notifies LIPA that the request is not valid, LIPA will contact the LI Choice Customer for verification and comply with the customer's instructions as appropriate.
- 3.8.6 ESCOs must report all unauthorized switches to the Authority.
- 3.8.7 ESCOs must preserve records as follows: 1) for at least one year from the date of receipt thereof, all written, electronic, taped verbal or third-party verification records of customer authorizations of access to the customer's historical billing information; 2) for at least 2 years from the ESCO's discontinuance of service to the LI Choice Customer, all other records pertaining to the customer, including written, electronic, taped verbal, and third-party verification records of all customer authorizations for eligibility and enrollment, changes in Agreement terms, customer information and billing data, and change of ESCO records.
- 3.8.8 In the event of an unresolved complaint or dispute between a LI Choice Customer and an ESCO, no records pertaining to such

customer shall be destroyed until the complaint or dispute is finally resolved. In the event of an audit or ongoing investigation of an ESCO by the Authority, no customer records shall be destroyed until the audit or ongoing investigation is completed and the matter finally resolved.

- 3.8.9 An ESCO responsible for a request to change an Eligible Customer's or a LI Choice Customer's provider of Electric Generation Service without such customer's written authorization must pay all costs and fees incurred by such customer and LIPA arising from or related to the unauthorized change. In such cases, the ESCO's license also may be suspended or revoked by the Chairman.
- 3.8.10 Each ESCO shall maintain the confidentiality of customer information received from LIPA or the customer unless the customer has consented to the release of such information. For purposes of this section, the term customer information means information relating to the customer's energy usage history, billing history or any other information provided to the ESCO by the customer or LIPA.

## **4.0 ESCO OR DRC ELIGIBILITY & COMPLIANCE**

### **4.1 General Eligibility Requirements for ESCOs**

4.1.1 An ESCO is an entity that performs electric supply, transmission and customer service functions in a competitive environment, including producing or contracting for and supplying Electric Generation Service and related services, and procuring and scheduling transmission and ancillary services to deliver the Electric Generation Service purchased by LI Choice Customers to the LIPA system.

4.1.2 To be eligible to participate in the Program, an ESCO must:

4.1.2.1 File a completed ESCO LI Choice License Application (including the attachments required by the form) with the Authority. The Form of ESCO License Application is contained in Attachment C.

The Authority may in its sole discretion waive some or all of its licensing application requirements if the ESCO is already registered with the New York State Department of Public Service (DPS) to sell electricity to retail customers in New York. It is incumbent on the applicant to advise the Authority of the applicant's registration with the DPS, if applicable.

4.1.2.2 Receive and maintain a license from the Authority and therefore become a Licensed ESCO. An ESCO may not begin to enroll customers for the Program until it is licensed by the Authority. Upon receipt of a license application LIPA will review the application for completeness and immediately notify the ESCO of any additional information required. Within 30 calendar days of receiving a complete application, LIPA will notify the ESCO by first class mail: 1) that the ESCO has received a favorable preliminary determination regarding a license; or, 2) that the application has been rejected and the reasons why the application was rejected. If the ESCO receives a favorable preliminary determination, the ESCO will receive a license from the Authority when any required financial security has been received by LIPA. If no financial security is required, the ESCO will receive a license shortly after the mailing of the favorable preliminary determination. If the application was rejected, the ESCO may submit a new application.

- 4.1.2.3 Register, as applicable, with the NERC and the NYISO.
- 4.1.2.4 Enter into applicable NYISO tariff agreements with the NYISO.
- 4.1.2.5 Obtain and retain each LI Choice Customer's written, electronic, or taped verbal authorization designating the ESCO as agent for receiving customer billing information from LIPA and for procuring and scheduling the transmission and ancillary services necessary to deliver Electric Generation Service purchased by the customer to the LIPA system.

## **4.2 General Eligibility Requirements for DRCs**

- 4.2.1 A Direct Retail Customer (DRC) is an Eligible Customer that acts without an ESCO to contract for and supply Electric Generation Service and related services solely for its own use and procures and schedules transmission and ancillary services to the Electric Generation Service to deliver to the LIPA system.
- 4.2.2 To be eligible to participate in the Program, a DRC must:
  - 4.2.2.1 File a completed LI Choice DRC License Application with the Authority.
  - 4.2.2.2 Receive and maintain a license from the Authority and therefore become a Licensed DRC. A DRC may not begin to schedule resources to serve its own load under the Program until it is licensed by the Authority. Upon the receipt of a license application, LIPA will review the application for completeness and immediately notify the DRC of any additional information required. The Authority will provide a determination of eligibility regarding completed DRC license applications within 30 calendar days via first class mail. A DRC will not be licensed by the Authority until the required financial security (if any) has been received by LIPA.
  - 4.2.2.3 Register, as applicable, with the NERC and the NYISO.

4.2.2.4 Enter into applicable NYISO tariff agreements with the NYISO.

### **4.3 General Compliance Requirements for ESCOs**

An ESCO must, on an ongoing basis:

- 4.3.1 Comply with all applicable Authority consumer protection requirements, including the policies and procedures associated with Product Disclosure and Product Labeling and Consumer Protections.
- 4.3.2 Keep the Authority apprised of any material change in the data submitted in the ESCO's LI Choice License Application. The ESCO shall submit written notification, in accordance with Section III of the Operating Agreement, of any material changes in the data contained in the ESCO's License Application to the Authority within 5 business days of such change.
- 4.3.3 Provide LIPA with such information it deems necessary for LI Choice Program customer enrollment and for termination or cancellation of ESCO service to LI Choice Customers.
- 4.3.4 Be responsible for billing and collecting from its LI Choice Customers all charges and fees associated with providing Electric Generation Service and related services under the Program.
- 4.3.5 Respond to inquiries from LI Choice Customers regarding Electric Generation Service and related services provided by the ESCO, and refer inquiries from LI Choice Customers regarding LIPA's delivery service and any related services to LIPA.
- 4.3.6 Comply with all applicable tariffs, rules and procedures of the NERC and the NYISO, the Operating Agreement, LIPA's Tariff for Electric Service, and these Operating Procedures, as the same may be amended, modified, supplemented, or superseded from time to time.
- 4.3.7 Provide or contract for and supply sufficient installed capacity, including installed capacity reserves and losses with the attendant on-Island installed capacity and installed capacity reserves requirement to meet the requirements of the ESCO's LI Choice Customer load as more fully described in Section 5.5.

- 4.3.8 Produce or contract for and deliver sufficient amounts of electric energy to LIPA's system to meet the hourly requirements of the ESCO's LI Choice Customer load and provide for all applicable losses as more fully described in Section 5.2.

#### **4.4 General Compliance Requirements for DRCs**

A DRC must, on an ongoing basis:

- 4.4.1 Keep the Authority apprised of any material change in the data submitted in the DRC's LI Choice License Application. The DRC shall submit written notification, in accordance with Section III of the Operating Agreement, of any material changes in the data contained in the DRC's License Application to the Authority within 5 business days of such change.
- 4.4.2 Comply with all applicable tariffs, rules and procedures of the NERC and the NYISO, Operating Agreement, LIPA's Tariff for Electric Service and these Operating Procedures, as the same may be amended, modified, supplemented, or superseded from time to time.
- 4.4.3 Provide or contract for and supply sufficient installed capacity, including installed capacity reserves and losses with the attendant on-Island installed capacity and installed capacity reserves requirement to serve its own load as more fully described in Section 5.5.
- 4.4.4 Produce or contract for and deliver sufficient amounts of electric energy to LIPA's system to meet the hourly requirements of its own load and provide for all applicable losses as more fully described in Section 5.2.

#### **4.5 Creditworthiness**

- 4.5.1 Credit Review - For the purpose of determining the ability of an ESCO or DRC to meet its financial obligations to LIPA and its service obligations to LI Choice Customers hereunder, LIPA will undertake a reasonable credit review. This review shall be made in accordance with standard commercial practices. LIPA may require an ESCO or DRC to provide and maintain in effect financial security, prepayments, an unconditional, irrevocable letter of credit, a surety bond, or corporate guaranty as security to meet its financial responsibilities and obligations to LIPA, or an alternative form of security proposed by the ESCO or DRC and acceptable to

LIPA, which is consistent with standard commercial practices and which protects LIPA against the risk of non-payment.

The financial security will be based on not more than two (2) months of an ESCO's or DRC's highest projected Electric Generation Service and related services billings to all of its accounts in the service area and will be calculated using LIPA's bill credits as provided in the LI Choice Tariff. Any cash financial security deemed necessary will accrue interest at LIPA's established interest rates for Consumer Deposits.

- 4.5.2 Creditworthiness Requirements - The ESCO or the DRC or any corporate guarantor will be considered creditworthy if (a) the ESCO or the DRC maintains a Dun and Bradstreet rating of (1A2) or better, or has long-term unsecured debt securities that are, and remain, rated a minimum of BBB or Baa2 by Standard & Poor's (S&P), Moody's or Fitch's, respectively, and if applicable, the ESCO or the DRC has a satisfactory long-term payment history with LIPA as determined by LIPA in its sole discretion, or (b) the ESCO or the DRC has, as determined by LIPA in its sole discretion, a satisfactory long-term payment history with LIPA.

An ESCO or DRC that is not considered creditworthy may not participate in the Program, unless and until it provides and maintains in effect during the term of the Operating Agreement, financial security, a prepayment, an unconditional irrevocable letter of credit, a surety bond, a guaranty, or an alternative form of security proposed by the ESCO or the DRC and determined to be acceptable by LIPA.

A letter of credit, if used, must be provided by a bank rated (A) or better by S&P's, Moody's, or Fitch's. A surety bond, if used, must be provided by a company licensed to do business in New York State and rated (BBB or Baa2 or better) by S&P's, Moody's or Fitch's, respectively. A corporate guaranty must be unconditional and in a form satisfactory to LIPA, and include responsibility for all financial obligations under the Program, including the ESCO or DRC Operating Agreement.

- 4.5.3 Credit Limit - LIPA shall determine a credit limit for all ESCOs or DRCs. Such credit limit shall be based on the creditworthiness of the ESCO or DRC. If financial security, prepayment, letter of credit, surety bond, or corporate guaranty is required from the ESCO or DRC, then the credit limit shall be equal to the value of such prepayment, letter of credit, surety bond, or corporate guaranty. LIPA may use such information as it deems appropriate to

determine creditworthiness and credit limits, including, but not limited to, company size, credit rating, financial statements, future projections and industry trends.

4.5.3.1 If LIPA has established creditworthiness and a credit limit for an ESCO or DRC but the ESCO or DRC wishes to obtain a higher credit limit, then the ESCO or DRC may, in a form acceptable to LIPA, provide additional financial security, prepayment, letter of credit or corporate guaranty. The additional financial security or prepayment so made shall be added to the original credit limit for the ESCO or DRC. If a corporate guaranty or letter of credit is provided, then such guaranty or letter of credit, in the increased amount, shall replace the original credit limit for the ESCO or DRC.

4.5.3.2 LIPA may, in its sole discretion, modify the credit limit for an ESCO or DRC for the following reasons, among others: (1) the creditworthiness of the ESCO, DRC or entity providing the corporate guarantee changes, or (2) LIPA changes the credit limit for all ESCOs or DRCs of similar creditworthiness, or (3) LIPA reviews all ESCOs' or DRCs' loads and requests the necessary changes.

4.5.3.3 Requirements for financial security will be reviewed quarterly during the operation of the Program to determine changes in an ESCO's or DRC's load and financial status. The ESCO or DRC will be notified by LIPA in writing of any additional security requirements and will be required to post same within 10 calendar days.

4.5.3.4 If LIPA fails to exercise any one or more of its rights under this section for any reason, such failure shall not preclude LIPA from exercising such rights later.

## **4.6 Dispute Resolution Procedure**

The LI Choice Tariff sets forth procedures that must be followed regarding complaints and disputes between ESCOs/DRCs and/or LIPA involving LI Choice Program requirements and performance. Each ESCO and DRC shall designate specific personnel to be responsible for responding to complaints and disputes under this process.

#### **4.7 License Suspension and Revocation**

The Chairman of the Authority may suspend or revoke an ESCO's or DRC's license to participate in the Program for violating Program requirements. The procedures and criteria relating to license suspension and revocation by the Chairman are set forth in the LI Choice Tariff.

#### **4.8 Records Access, Audits and Investigations**

Requirements relating to records access, audits and investigations by the Authority and related matters are set forth in the LI Choice Tariff.

## **5.0 ENERGY BALANCING**

LIPA is responsible for determining customer total hourly energy usage for each ESCO and providing it to the NYISO. The NYISO requires this energy usage to calculate and bill ESCOs for energy imbalances.

LIPA uses actual hourly interval meter data or load profiles to determine this usage.

- For customers who do not have hourly interval meters, LIPA uses load profiles to estimate total hourly energy usage.
- For customers who have hourly interval meters, LIPA uses the interval data to determine usage except if the meter was installed by LIPA for load research purposes; in that case, LIPA uses the appropriate load profiles.

Load profiles are based on existing hourly load profile data for LIPA's major electric rate classes. The profiles are differentiated by season, temperature and day type.

To assist ESCOs in estimating the energy requirements of their customers, LIPA makes the load profiles available to them. Coincidence factors with respect to LIPA's system monthly peak hour are also available.

LIPA may revise the load profiles in the future as it deems necessary. LIPA will advise ESCOs of any significant changes at least 30 calendar days prior to using revised profiles.

## **6.0 ARRANGING TRANSMISSION**

The ESCO, as agent for the LI Choice Customer, or the DRC will arrange for transmission service to deliver Electric Generation Service to the LI Choice Customers. For on-Island generation owned or contracted for by ESCOs or DRCs, the LI Choice Customer will take title to the energy at the generator's interconnection with the LIPA system. For purchase of off-Island energy, the LI Choice Customers will take title to the energy before it is delivered to the LIPA system. ESCOs and DRCs are responsible for scheduling energy deliveries to the LI Choice Customer.

ESCOs, as agents for LI Choice Customers, or DRCs may schedule transmission deliveries to on-Island load only under the applicable NYISO Tariff. An ESCO's purchase of transmission service for its own account as principal may jeopardize the tax-exempt status of LIPA's bonds. Therefore, if an ESCO or DRC wishes to use LIPA's transmission system for non-LI Choice Program deliveries on or through the LIPA system, the ESCO or DRC must enter into a separate agreement with LIPA pursuant to the applicable NYISO Tariff.

## **7.0 TRANSITIONAL TRANSMISSION ALLOCATION (TTA)**

The TTA is a financial award to attract ESCOs to the Program and encourage them to import low cost power to the LIPA service area. It is funded by congestion rents which LIPA collects as a holder of Transmission Congestion Contracts (TCC). LIPA shares some of its congestion rent revenues with ESCOs based on how much customer load the ESCOs serve and based on the ESCO's actual hourly MW imports for the month in question.

LIPA makes a maximum of 20 MW of TTA available. LIPA will provide ESCOs with a share of LIPA's congestion rents based on the ratio of 20 MW to the total MWs of effective TCCs LIPA has for the Con Edison/LI and New England/LI transmission interties. Nine (9) megawatts are reserved for the residential load of ESCOs . Eleven (11) megawatts are reserved for the non-residential load of ESCOs.

LIPA allocates TTAs to the ESCO based on (1) the ESCO's load compared to total ESCO load for the residential or nonresidential sector and (2) the amount of TTAs available for allocation. LIPA allocates TTAs to ESCOs in the month before the start of each NYISO Summer and Winter capability period. The actual allocation an ESCO receives is a single MW amount and is not broken out into residential and nonresidential MWs.

ESCOs due TTA awards will receive them as a separate line item credit on the monthly bill LIPA sends them.

ESCOs will not receive TTA awards exceeding an amount corresponding to what they actually import. ESCOs must import power to Long Island to receive any award. ESCOs must provide acceptable documentation ( e.g., copies of power purchase contracts) to LIPA of such imports no later than one month following the month in question.

LIPA may at its discretion reduce the allocation. Any lesser amount will be allocated to ESCOs in the same manner as the original 20 MW.

## **8.0 INSTALLED CAPACITY (ICAP) REQUIREMENTS**

ESCOs must meet the NYISO installed capacity requirements in accordance with the applicable NYISO Tariff. LIPA will provide the ESCO or DRC ICAP equal to the local ICAP that the NYISO requires the ESCO to maintain. The ESCO or DRC will be required to procure its remaining ICAP requirements.

## **9.0 BILATERAL CONTRACTS BETWEEN LIPA AND ESCOS/DRCS**

LIPA may offer bilateral contracts to ESCOs who may wish to purchase energy from LIPA from time to time on a nondiscriminatory basis. Interested ESCOs should contact LIPA for details. There may be limitations on the amount of energy available for such contracts and such contracts may be offered on a first-come, first-served basis.

## **10.0 UNMETERED SERVICE AND FAST METERS**

LIPA will calculate an adjustment to the customer's bill for unauthorized unmetered service and fast meters in accordance with the Tariff for Electric Service. The customer's bill will be adjusted using the Tariff rates for Bundled Service and applying the LI Choice bill credits, to reflect the change in electricity delivered to the customer.

If applicable, the change in electricity deliveries will be applied to the ESCO's load and forwarded to the NYISO. Adjustments will be calculated according to the provisions of the applicable NYISO Tariffs and these Operating Procedures.

If the period for NYISO settlement adjustment has expired, LIPA will calculate an adjustment between LIPA and the ESCO using the NYISO's real time hourly rate or similar rate.

## **11.0 MAJOR SYSTEMS OUTAGES**

In the event of a major system outage, LIPA may, at its discretion, declare a "system emergency." Under a system emergency, LIPA may assume responsibility for scheduling all customer loads within its transmission and distribution system. If requested by LIPA, the ESCO or DRC shall allow LIPA to schedule ESCO or DRC capacity and energy resources during the emergency. A cost-based settlement for energy provided by ESCOs or DRCs and LIPA and provided to customers will be negotiated by LIPA and the ESCOs or DRCs.

## 12.0 PRODUCT DISCLOSURE

The Authority believes that LI Choice Customers should have information concerning the costs and environmental characteristics of their power supply. Therefore, the Authority requires disclosure of this information to customers through a product label.

The New York Public Service Commission (PSC) is currently developing product labeling requirements for the other New York State utilities that will be based on data obtained from the NYISO (PSC Program). The Authority anticipates voluntarily participating in the PSC Program when it is established.

### 12.1 Interim Product Disclosure and Product Labeling

12.1.1 Requirements - Prior to implementation of the PSC Program, a claims-based product disclosure process is in effect. Under this claims-based process, if an ESCO makes no claim about the fuel or product characteristics of its product, it is not required to disclose fuel mix information to LI Choice Customers. If the ESCO desires to make a “green” or other product claim, it is required to disclose to the customer a prospective 12-month average estimate of the fuel mix for that product along with the average Long Island fuel mix for comparison purposes. Fuel source categories included in the fuel mix disclosure are listed below:

- Biomass (landfill gas, sewage gas, urban wood waste, pallet waste, mill residue wood from primary and secondary wood products industries, harvested wood including site conversion waste wood, silvicultural waste wood, agricultural residue, and sustainable yield wood);
- Coal (steam turbine and pumped storage hydro powered by coal);
- Gas (natural gas from steam turbine, simple combustion turbine, and combined-cycle combustion turbine, LPG and pumped storage hydro powered by gas);
- Hydro (pondage and run-of-river-hydro);
- Nuclear (boiling and pressurized reactors and pumped storage hydro powered by nuclear);
- Oil (Oil steam turbine, simple combustion turbine, and combined-cycle combustion turbine, diesel, No. 2 heating oil, gasoline, kerosene, pumped storage hydro powered by oil);
- Solar (photovoltaics);
- Solid Waste (municipal solid waste, tire waste, urban wood waste such as construction and demolition and municipal solid waste wood);

- Wind (wind turbines); and,
- Unknown external purchase.

12.1.2 The Label - If the ESCO makes a “green” or other product claim, the ESCO is required to provide its customers a standardized label that discloses the appropriate fuel mix along with the Long Island average fuel mix as specified in these Operating Procedures and as updated from time to time by posting on the LI Choice website by the Authority, both prior to customer enrollment and on at least an annual basis in the LI Choice Customer’s bill.

In addition, ESCOs must disclose on the label the average Electric Generation Service price per kWh to the residential customer for monthly customer usage levels of 250 kWh, 500 kWh, 1,000 kWh and 2,000 kWh. The product label must include a plain language description of contract pricing terms. A sample label format is included in Attachment G. The Authority will approve the ESCO’s standard label as part of the licensing process. Proposed changes to the standard label subsequent to ESCO’s licensing will need to be filed with the Authority for approval.

12.1.3 Interim Verification - If a complaint about an ESCO’s “green” or other product claim is received by the Authority, the Authority may investigate the complaint. Among other things, the Authority may request copies of the ESCO’s power supply contracts sufficient to verify an ESCO’s fuel mix. Copies of such contracts shall be provided within 10 days of the Authority’s request. The Chairman may suspend or revoke an ESCO’s license based on false product claims.

## **13.0 LI CHOICE CUSTOMER BILLING AND SERVICES**

LI Choice Customers may eventually have two options regarding the way they are billed for LIPA's delivery services and the Electric Generation Service and any related services provided by the ESCOs.

### **13.1 LIPA's Services to LI Choice Customers**

Under both billing options LIPA will:

- 13.1.1 Deliver Electric Generation Service across LIPA's system to each LI Choice Customer location;
- 13.1.2 Respond to inquiries from LI Choice Customers regarding services provided by LIPA, refer inquiries from LI Choice Customers regarding Electric Generation Service and related services to the appropriate ESCO, and monitor customer complaints regarding ESCOs and report them to the Authority;
- 13.1.3 Respond to service interruptions;
- 13.1.4 Investigate and address power quality issues;
- 13.1.5 Provide customer service support for delivery services;
- 13.1.6 Be the Provider of Last Resort (POLR) for those LIPA customers who do not participate in the Program, or who terminate their Agreements with an ESCO and do not designate another ESCO to provide Electric Generation Service; and,
- 13.1.7 Assist Eligible Customers by providing them with educational materials about the Program.

### **13.2 The Two Bill Option**

Under the two bill option:

- 13.2.1 The LI Choice Customer will receive two bills; one from LIPA for delivery services and any other services it provides, and one from the ESCO for Electric Generation Service and any related services it provides.
- 13.2.2 LIPA will bill and collect from LI Choice Customers charges for delivery services and any other services it provides under the LI Choice Tariff;

13.2.3 The ESCO will bill and collect from LI Choice Customers charges for Electric Generation Service and any related services it provides.

13.2.4 In billing LI Choice Customers, ESCOs must use the form of sample customer bills they provided to the Authority in their License Application.

### **13.3 The Single Bill Option**

Under the single bill option when it is made available by LIPA:

13.3.1 The LI Choice Customer, whose ESCO uses the single bill option, will receive one bill from LIPA.

13.3.2 LIPA will bill and process payments from LI Choice Customers for delivery services and any other services it provides under the LI Choice Tariff, as well as for the ESCO's charges for Electric Generation Service and any related services it provides.

13.3.3 The procedures and form of the single bill option will be defined in a contract between LIPA's billing agent and the ESCO.

## **14.0 LIPA'S BILLING AND SERVICES TO ESCOS AND DRCS**

### **14.1 Billing and Payment**

LIPA will establish a billing account for each ESCO and DRC to accumulate the debits or credits associated with fees and charges as described in these Operating Procedures and the LI Choice Tariff. Billing accounts shall be settled monthly for charges or credits in excess of \$100.

14.1.1 Payment of the full amount stated in any invoice from LIPA to the ESCO or DRC, without deduction, set-off or counterclaim, shall be made by electronic funds transfer within 20 days from the date of such invoice. Claims that any invoice is not correct shall be made no later than 90 days after the invoice date.

14.1.2 Upon the ESCO's or DRC's failure to make any payment when due, LIPA will assess a late payment charge at the rate set forth in LIPA's Tariff for Electric Service on all amounts billed. In the event there are insufficient funds for the electronic funds transfer, LIPA will charge the ESCO all applicable late payment charges, bank fees incurred by LIPA and the uncollectible payment handling charge specified in LIPA's Tariff for Electric Service.

14.1.3 Upon failure of the ESCO to make any payment when due, LIPA will give the ESCO written notice of such failure. Payment shall be made within 5 days after receipt of such notice.

### **14.2 LI Choice Customer Billing Information**

14.2.1 LIPA will make available to ESCOs, electronically, the individual energy consumption (and demand if applicable) billing determinants of the ESCO's LI Choice Customers. LIPA will indicate whether the information is based on an actual or estimated meter reading.

14.2.2 Subsequent to LIPA performing cycled meter readings, LIPA will send to the ESCO electronically a file containing the applicable billing determinants for each of the ESCO's customers, normally on the same day that such information is validated. LIPA will also electronically send current information on customer enrollment and termination, when appropriate.

14.2.3 Under the single bill option, an ESCO must return billing information to LIPA within 2 business days of receiving the meter reading information from LIPA. The billing information provided by the ESCO to LIPA must be in a LIPA approved format.

### **14.3 Special Services**

- 14.3.1 Any fees for special services rendered by LIPA shall be paid by the ESCO, DRC or customer requesting such services. Examples of such fees would include those for special metering equipment, special meter reads, switching ESCOs, and additional customer historic usage information as provided in the LI Choice Tariff.
- 14.3.2 Collections from Customers - The two bill option requires that LIPA and ESCO collections be performed independently. The single bill option procedures will be described in the contract between LIPA's billing agent and the ESCO.
- 14.3.3 Unmetered service will be handled in accordance with Section 10.0.

## **15.0 METERING**

### **15.1 Provision of Meters**

- 15.1.1 All Electric Generation Service delivered by LIPA to a LI Choice Customer shall be measured by electric meters which shall be owned, installed and maintained by LIPA. Customers may continue to use the same metering equipment and meter reading process that is in place at the time of their enrollment in the Program. The LI Choice Customer or ESCO shall also have the option to upgrade the billing meter and metering instrument transformers (at their expense) which will then be installed, owned, and maintained by LIPA.
- 15.1.2 Customers shall own, install, and maintain all conduit and wiring systems required for installation of meters and metering instrument transformers. LIPA shall make all final connections to metering equipment. The customer may own, install, and maintain other meters and metering instrument transformers for the purpose of measuring electricity delivered, provided that it is installed on the load side of LIPA's billing meter.
- 15.1.3 LIPA retains all rights to access, read, install, remove, maintain and change meter types. If a meter change results from a change to the customers' rate code or rate structure, notification of this change will be given to the ESCO. For example, if an S.C. 2 customer's use exceeds 4000 kWh in two consecutive thirty day periods, a demand meter is installed to replace the standard meter.
- 15.1.4 A DRC or ESCO may request an upgrade of metering equipment to support enhanced functionality. A schedule of options regarding enhanced metering capabilities for upgrade of existing LIPA billing meters and the costs associated with LIPA providing and installing those options are provided for in the LI Choice Tariff. In addition, if remote access to the meter is required, the LI Choice Customer, ESCO or DRC must provide a direct-dial telephone line or wireless PCS systems maintained at its expense.

### **15.2 Meter Reading**

LIPA will retain responsibility for reading all LIPA-owned LI Choice Customer meters. LI Choice Customer billings by LIPA and the ESCOs will be based upon LIPA readings of LIPA-owned meters. LIPA's meter reading policy is outlined below:

- 15.2.1 Scheduled Meter Readings - LIPA will read customers' meters and record both kWh and kW (if applicable) using its existing meter reading routes and schedules. These schedules may be modified occasionally to meet operating needs and efficiencies.
- 15.2.2 Estimating - If no meter reading is available, or if a meter reading is not usable, estimating will be done according to current LIPA operating practices.
- 15.2.3 Access - LIPA retains all rights of access to read, install, remove, and maintain meters, or change meter types. In addition, LIPA is responsible for installing and removing anti-tampering devices on the meter. Failure by LIPA to gain access to meters at reasonable times may result in a no-access charge in accordance with procedures outlined in LIPA's Tariff for Electric Service.
- 15.2.4 Special Readings - Special meter reading requests by ESCOs or LI Choice Customers for the ESCOs' purposes will be performed for a fee, with at least 72 hours notice, if scheduling can accommodate such a meter reading. Rules and procedures for special meter readings and the associated fees are provided in the LI Choice Tariff.

## 16.0 CONTACTS

Any notice to be given hereunder will be deemed given, and any other document to be delivered hereunder will be deemed delivered, if in writing and (i) delivered by hand, (ii) deposited for next-business day delivery (fee prepaid) with a reputable overnight delivery service, (iii) mailed by certified mail (return receipt requested) postage prepaid, or (iv) provided by facsimile with proof of answerback.

To the Authority:

Long Island Power Authority  
333 Earle Ovington Blvd., Suite 403  
Uniondale, NY 11553

Fax: 516-222-9137

Attention: Vice President - Power Markets

To LIPA:

LIPA  
Electric Sales & Marketing Department  
131 South Hoffman Lane  
Islandia, New York 11749  
Fax: (631) 436-5757

Attention: Manager - Contracts and Administration

**ATTACHMENT A**

**LI CHOICE CUSTOMER BILLING HISTORY INFORMATION  
WRITTEN AUTHORIZATION FORM**

\_\_\_\_\_  
(Date to be filled in)

ESCO Name and Address

Dear Sirs:

I hereby authorize \_\_\_\_\_ **(ESCO name)** to obtain electric billing history from LIPA for account number(s) \_\_\_\_\_ **(account number(s))**.

By signing below, I am stating that I am the customer of record for the above account(s) or am a person authorized to act for the customer in this matter.

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Authorized Signature Date

\_\_\_\_\_  
Company Name (if applicable)

\_\_\_\_\_  
Title (if applicable)

**ATTACHMENT B**

**LI CHOICE CUSTOMER BILLING HISTORY INFORMATION  
VERBAL AUTHORIZATION SCRIPT**

**SCRIPT FOR ESCO CUSTOMER REPRESENTATIVE**

Customer Representative:

I'm \_\_\_\_\_(*name of representative*). I'm verifying the release of your LIPA customer information to \_\_\_\_\_(*ESCO name*). The information on your account is confidential and in order for me to process your request, I will need to ask you a few questions. For your protection, our conversation will be tape recorded.

1. Today is \_\_\_\_\_(*date*). With whom am I speaking?
2. Are you the person responsible for the electric account(s) at \_\_\_\_\_(*address of customer*)?

*Yes or No*

*If no, ask for the responsible person or have responsible person call back.  
If yes, continue with question 3.*

3. Do you authorize LIPA to release electric billing history for account number(s) \_\_\_\_\_(*account number*) to \_\_\_\_\_(*ESCO*).

*Yes or No*

*If yes, thank you. I will process your request.*

*If no, without your authorization, I will be unable to process your request.*

## ATTACHMENT C

### Long Island Power Authority Long Island Choice Program

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#### INSTRUCTIONS FOR COMPLETING ENERGY SERVICE COMPANY (ESCO) LICENSE APPLICATION

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The following is the description of the process with specific information requirements for obtaining an Energy Service Company (ESCO) license to participate in the Long Island Choice Program as agent for your customers.

#### **Section A - DESCRIPTION OF THE ESCO APPLICATION PROCESS**

If you intend to sell electricity to end users within the service territory of LIPA, you must be licensed as an ESCO by the Long Island Power Authority (Authority) prior to the enrollment of customers or the initiation of service. To apply for a license, you must submit a completed application form (see Section B below) and provide the following items:

- Completed Contact Information Form (first item after application)
- Copy of NYS Department of State Registration with Filing Receipt
- Copy of Disclosure Statement(s) (see Section C below)
- Copy of Switching Procedures (see Section D below)
- Description of process for handling and resolving customer's complaints (see Section E below)
- Copy of residential bill format (if you are applying to serve residential customers)
- Copy of the standard residential customer Agreement(s) (if you are applying to serve residential customers) (See Part 6A)
- Copy of the terms and conditions for service for nonresidential customer Agreement(s) (if you are applying to serve this class of customers) (See Part 6B)
- Copy of the Operating Agreement with LIPA and signed by the ESCO (See Part 3)
- Copy of most recent 2 years certified financial statements (or the period of business operation)
- Documentation that you meet all applicable requirements of the New York Independent System Operator (NYISO)

You will be notified within 30 calendar days via first class mail regarding the preliminary disposition of your application. You will not be licensed until your required security deposit has been received by LIPA. When you are licensed your company will be assigned a company code and the name and contact information will be posted on LIPA's website at [www.lipower.org](http://www.lipower.org). If you have any questions about the licensing process, call LIPA's Electric Marketing Department at 800-692-2626.

You must also notify the Authority in writing at the address below within 5 business days from the date that you know that a material change in the information submitted with the application has occurred or will occur. Failure to provide such notification or failure to adhere to the procedures and policies provided with the application may result in, among other things, suspension or revocation of the ESCO's license.

Mail your completed license application package to:

Long Island Power Authority  
Vice President Power Markets  
333 Earle Ovington Blvd.  
Suite 403  
Uniondale, NY 11553

## **Section B - ESCO LICENSE APPLICATION FORM**

Answer all applicable questions (print or type all information).

You must respond to each of the questions and provide the specified information (See Sections C - F below for further details).

### **BOX 1**

Business Information - Enter the relevant information, consistent with your NYS Department of State filing. (The "Doing Business As" - d/b/a - name must be the same as the name that will appear on customers' bills). If you have indicated on the application form that you have affiliates providing energy services (including subsidiaries) that are located or operating in New York State, list on a separate sheet the name(s) and address(es) of these affiliates and provide the name, address, and contact person for any such entity with an ownership interest of 10 percent or more in your business.

### **BOX 2**

Checklist - Each item in the checklist should be checked and corresponding information provided.

- 2a            The ESCO contact information sheet is in Attachment D of the Operating Procedures.
- 2c, d, e, f    See corresponding instructions below in Sections C, D, E and F.
- 2g            Operating Agreement - Two copies of the Operating Agreement must be signed by an authorized officer of the applicant. The Operating Agreement is in Part 4 of the LI Choice Implementation Plan. The contract will be executed by LIPA as part of the application process.
- 2h            The Requirements and Guidelines for Residential Agreements are contained in Part 6A and Nonresidential Agreements in Part 6B of the LI Choice Implementation Plan (see box 3 below). If you are serving only residential customers, a Nonresidential Agreement is not required. If you are serving only nonresidential customers, a listing of the standard terms and conditions that will become part of the Agreement is required for licensing purposes in place of a standard agreement.

### **BOX 3**

Check the customer class(es) you plan to serve. If you plan to serve only one customer class, you must notify the Authority and file any additional licensing documents as required by the Authority if you later decide to serve the other customer class.

**BOX 4**

Signature - An officer of the applicant business with authority to bind the ESCO must sign the application. That signature will attest to the accuracy of the information provided in the application.

**Section C - CONTENT OF DISCLOSURE STATEMENT(S)**

A statement labeled Environmental Disclosure is required which presents the fuel mix, emissions characteristics of your power supply, and other information in the format approved by the Authority.

The standard Residential Customer Agreement satisfies the Authority's disclosure statement requirements for residential customers, excluding the Environmental Disclosure requirements listed above, and thus no separate disclosure statement is required. For nonresidential customers, only a listing of the standard terms and conditions that will become part of the Agreement is required.

**Section D - PROCEDURES FOR SWITCHING ESCOS**

Provide a description of the procedures you intend to follow:

1. To ensure that customers' authorization is auditable;
2. To ensure that customers are protected from unauthorized switching; and
3. To ensure that the Authority's requirements regarding consumer protection are followed.

These procedures should be consistent with, and complement, the switching procedures specified in the Operating Procedures and LI Choice Tariff. They should include, at a minimum, an identification of:

- how and when a final bill will be rendered;
- your criteria for obtaining, verifying and documenting the customer's authorization for the switch.

**SECTION E - PROCESS FOR HANDLING AND RESOLVING CUSTOMER COMPLAINTS**

Describe the process(es) used for handling and resolving customers' complaints regarding your services. At a minimum, the process should be affordable and convenient for the customers you intend to serve.

**SECTION F – TWO BILL OPTION BILLING PROCEDURES**

A sample copy of your billing form(s), sufficient to display the proposed format and content, must accompany the application. In general, because the format of a bill either enhances or detracts from a customer's ability to understand the nature and amount of charges, decisions (such as type size, layout, amount of detail and use of color) should be considered from the customer's perspective. With regard to content, the following are some general guidelines based on our experience in working with customers. The bills should meet the following criteria:

1. All bills must be rendered in plain language.
2. Bills must be clear and easy to read.

3. Bills must include the complete name and address of customer, and the service address if appropriate.
4. Bills must include a unique account number or customer ID.
5. Bills must indicate the name and logo (if applicable) of the ESCO providing the service, and the business address of the ESCO.
6. Bills must itemize the charges included on the bill, including the unit price and quantity of units purchased. For energy service with variable pricing terms, unit prices and quantities may be summarized on the bill, so long as sufficient data is readily available to the customer (on request) that fully supports the billed charges.
7. Bills must separate charges for Electric Generation Service from charges for other services that may be included on the same bill.
8. Bills must indicate the period of service for the charges rendered on the bill.
9. Bills must indicate when payment is due and any fees that will pertain if payments are not received by the due date.
10. Bills must indicate the amount and date of payments received since the previous bill.
11. Bills must include the address to which payments should be sent, and the retail locations where payments would be accepted.
12. Bills must include a toll-free number that customers can call for inquiries about their bill.
13. Bills must be printed on paper and rendered to the customer at the customer's designated mailing address, unless the customer agrees to an alternative form of billing. Customers must be allowed to revert to printed bills at any time, following notification of the ESCO at least one billing cycle in advance. The ESCO may include a reasonable charge for providing printed bills to the designated mailing address, consistent with the size and delivery cost of the printed information.
14. Changes to bill formats must be provided to the Authority for review and approval at least 30 days prior to their implementation.
15. Bill formats acceptable to the New York Department of Public Service will automatically be acceptable to the Authority, unless one of the first 11 items listed above is omitted. This does not eliminate the requirement to provide the proposed bill format to the Authority for review and approval.

## **SECTION G – SINGLE BILL OPTION BILLING PROCEDURES**

A sample copy of your billing form(s), sufficient to display the proposed format and content, must accompany the application. The bill format must comply with the design standards of the LIPA single bill billing system. With regard to content, the following are some general guidelines based on our experience in working with customers. The bills should meet the following criteria:

1. All bills must be rendered in plain language.
2. Bills must be clear and easy to read.
3. Bills must include the complete name and address of customer, and the service address if appropriate.
4. Bills must include a unique account number or customer ID.
5. Bills must indicate the name of the ESCO providing the service, and the business address of the ESCO.
6. Bills must itemize the charges included on the bill, including the unit price and quantity of units purchased. For energy service with variable pricing terms, unit prices and quantities may be summarized on the bill, so long as sufficient data is readily available to the customer (on request) that fully supports the billed charges.
7. Bills must separate charges for Electric Generation Service from charges for other services that may be included on the same bill.
8. Bills must indicate the period of service for the charges rendered on the bill.
9. Bills must indicate when payment is due and any fees that will pertain if payments are not received by the due date.

10. Bills must indicate the amount of payments received since the previous bill.
11. Bills must include a toll-free number that customers can call for inquiries about their bill.

**LONG ISLAND POWER AUTHORITY  
ENERGY SERVICE COMPANY  
LONG ISLAND CHOICE LICENSE APPLICATION**

1. Business Information

a. Business Name: \_\_\_\_\_

b. Doing Business As (DBA) (Indicate if Same as Above): \_\_\_\_\_

c. Address - Street & Number: \_\_\_\_\_ Telephone: ( ) \_\_\_\_\_

d. Address - City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

e. Provide the name, telephone number, and address of the person or agent located in New York designated for service of process:

Name: \_\_\_\_\_ Telephone: ( ) \_\_\_\_\_

Address: \_\_\_\_\_  
(Street & Number) (State) (Zip)

f. Provide the name and telephone number of the contact person who will respond to questions about this application:

Name: \_\_\_\_\_ Telephone: ( ) \_\_\_\_\_

g. Do you have any energy affiliates (including subsidiaries) located or operating within New York State?  YES  NO

If you have energy affiliates within New York State, have you provided the information specified in the instructions?  YES  NO

Have you provided the name, address, and contact name for any entity with an ownership interest of 10 percent or more in the company identified in 1a and 1b?  YES  NO

2. **CHECKLIST** The following items must be provided (See License Application Instructions for more details):

a. Have you provided a copy of a completed contact information sheet?  YES

b. Have you provided a copy, and proof of acceptance, of your registration with the NYS Department of State?  YES

c. Have you provided a copy of your disclosure statement(s)?  YES

d. Have you provided a copy of your switching procedures?  YES

e. Have you provided a description of your process for handling and resolving customers' complaints?  YES

f. Have you provided a sample(s) of your billing form(s)?  YES

g. Have you provided two copies of your signed Operating Agreement with LIPA?  YES

h. Have you provided a copy of your standard residential agreements (if applicable)?  YES

i. Have you provided a copy of your most recent 2 years certified financial statements?  YES

j. Have you provided documentation that you have met all of the applicable requirements of the New York ISO  YES

3. Check below all customer classes you would like to be licensed to serve:

Residential

Nonresidential

4. The person signing this application states that she or he is an owner, partner, or officer of the business named on this application and is authorized to file this application, and that the answers in this application are true.

\_\_\_\_\_  
 (Signature) (Title) (Date)

**ATTACHMENT D  
ESCO CONTACT INFORMATION**

**Please complete each of the sections below:**

**Market Segment:** Please circle choice(s): NON-RESIDENTIAL RESIDENTIAL

**INFORMATION TO POST ON LIPA WEBSITE AND IN CONSUMER EDUCATION:**

Contact Department: \_\_\_\_\_

Contact Phone: \_\_\_\_\_ Contact Fax: \_\_\_\_\_

Email Address: \_\_\_\_\_

**Email Address To Receive Historical Use:**

Email Address: \_\_\_\_\_

**Toll Free Billing Phone And Email Address To Receive Enrolled Customer Billing Information and General Customer Information from LIPA:**

Contact Name: \_\_\_\_\_

Billing Phone (must be toll free): \_\_\_\_\_

Email Address: \_\_\_\_\_

**Email Address To Send ESCO Bills and/or Information:**

Contact Name: \_\_\_\_\_

Email Address: \_\_\_\_\_

**License Questions or Information**

Contact Name: \_\_\_\_\_

Contact Phone: \_\_\_\_\_ Contact Fax: \_\_\_\_\_

Email Address: \_\_\_\_\_

## ATTACHMENT E

### Long Island Power Authority Long Island Choice Program

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#### INSTRUCTIONS FOR COMPLETING DIRECT RETAIL CUSTOMER (DRC) LICENSE APPLICATION

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The following is the description of the process with specific information requirements for obtaining a Direct Retail Customer (DRC) license to participate in the Long Island Choice Program as a Direct Retail Customer

#### **Section A - DESCRIPTION OF THE DRC APPLICATION PROCESS**

If you intend to become a DRC of the New York Independent System Operator (NYISO) within the service territory of LIPA, you must be licensed as a DRC by the Long Island Power Authority (Authority) prior to the enrollment of your accounts. To be considered for licensing, you must submit a completed application form (see Section B below) and provide the following items:

- Completed Contact Information Form (first item after application)
- Copy of the Operating Agreement with LIPA signed by the DRC
- Copy of most recent 2 years certified financial statements (or the period of business operation)
- Documentation that you meet all applicable requirements of the NYISO

You will be notified within 30 calendar days via first class mail regarding the preliminary disposition of your application. You will not be licensed until your required security deposit has been received by LIPA. When you are licensed your company will be assigned a company code. If you have any questions about the licensing process, call LIPA's Electric Marketing Department at 800-692-2626.

You must also notify the Authority in writing at the address below within 5 business days from the date that you know that a material change in the information submitted with the application has occurred or will occur. Failure to provide such notification or failure to adhere to the procedures and policies provided with the application may result in, among other things, suspension or revocation of the DRC license.

Mail your completed license application package to:

Long Island Power Authority  
Vice President Power Markets  
333 Earle Ovington Blvd.  
Suite 403  
Uniondale, NY 11553

#### **Section B - DRC LICENSE APPLICATION FORM**

Answer all applicable questions (print or type all information).

You must respond to each of the questions and provide the specified information.

**BOX 1**

Applicant Information - Enter the relevant information, consistent with your NYS Department of State filing (if applicable).

**BOX 2**

Checklist - Each item in the checklist should be checked and corresponding information provided.

2A Operating Agreement - Two copies of the Operating Agreement must be signed by an authorized officer of the applicant. The Operating Agreement is in Part 4 of the LI Choice Implementation Plan. The contract will be executed by LIPA as part of the application process.

**BOX 3**

Signature - An authorized agent of the applicant with authority to bind the DRC must sign the application. That signature will attest to the accuracy of the information provided in the application.

**LONG ISLAND POWER AUTHORITY  
DIRECT RETAIL CUSTOMER (DRC)  
LONG ISLAND CHOICE LICENSE APPLICATION**

1. Applicant Information

- a. Applicant Name: \_\_\_\_\_
- b. Address - Street & Number: \_\_\_\_\_ Telephone: ( ) \_\_\_\_\_
- c. Address - City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_
- d. Provide the name, telephone number, and address of the person or agent located in New York designated for service of process:  
 Name: \_\_\_\_\_ Telephone: ( ) \_\_\_\_\_  
 Address: \_\_\_\_\_  
(Street & Number) (State) (Zip)
- e. Provide the name and telephone number of the contact person who will respond to questions about this application:  
 Name: \_\_\_\_\_ Telephone: ( ) \_\_\_\_\_
- f. Provide the name and Email address of the contact person for bills and/or information  
 Name : \_\_\_\_\_ Email Address : \_\_\_\_\_
- g. Provide the Email address for receiving historical use:  
 Email Address: \_\_\_\_\_

2. **CHECKLIST** The following items must be provided (See License Application Instructions for more details):

- a. Have you provided a copy of a completed info sheet? YES
- b. Have you provided two copies of your signed Operating Agreement with LIPA? \_\_\_ YES
- c. Have you provided a copy of your most recent 2 years certified financial statements? \_\_\_ YES
- d. Have you provided documentation that you have met all of the applicable requirements of the New York ISO \_\_\_ YES

3. The person signing this application states that she or he is an owner, partner, officer, or agent of the organization named on this application and is authorized \_\_\_\_\_ to file this application, and that the answers in this application are true.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

\_\_\_\_\_

**ATTACHMENT F**

**DRC CONTACT INFORMATION**

Contact Name: \_\_\_\_\_

Billing Phone: \_\_\_\_\_

Email Address: \_\_\_\_\_

**Email Address To Send DRC Bills and/or Information:**

Contact Name: \_\_\_\_\_

Email Address: \_\_\_\_\_

**License Questions or Information**

Contact Name: \_\_\_\_\_

Contact Phone: \_\_\_\_\_ Contact Fax: \_\_\_\_\_

Email Address: \_\_\_\_\_

**ATTACHMENT G**  
**SAMPLE PRODUCT LABEL**  
 (To be completed only for Residential Customers)

<p><b>Generation Price</b>          (not applicable to demand meter customers)</p> <p>Average Price per kWh at different levels of use. Prices do not include regulated charges for customer service and delivery</p>	<table border="1" data-bbox="597 403 1352 537"> <tr> <td>Average Use/Month</td> <td>250 kWh</td> <td>500 kWh</td> <td>1000 kWh</td> </tr> <tr> <td>Average Price/kWh</td> <td>3.3 Cents</td> <td>3.3 Cents</td> <td>3.2 Cents</td> </tr> </table> <p>Your average generation price will vary according to when and how much electricity you consume. See your most recent bill for your monthly use and your terms of service for the actual price.</p>	Average Use/Month	250 kWh	500 kWh	1000 kWh	Average Price/kWh	3.3 Cents	3.3 Cents	3.2 Cents
Average Use/Month	250 kWh	500 kWh	1000 kWh						
Average Price/kWh	3.3 Cents	3.3 Cents	3.2 Cents						
<p><b>Summary of Contract Terms</b>          (not applicable to demand meter customers)</p>	<p align="center">For example, Fixed price for 1 year</p>								

**Fuel Sources to Generate Electricity**

(To be provided to all customers. Subject to change because of updates.)

	Historic Long Island Average	Your Estimated Current Purchase <sup>1</sup>
Biomass.....	Less than 1%	x%
Coal.....	0%	x%
Gas.....	40%	x%
Hydro.....	Less than 1%	x%
Nuclear.....	14%	x%
Oil.....	27%	x%
Solar.....	0%	x%
Solid Waste.....	5%	x%
Wind.....	Less than 1%	x%
Unknown External Purchase.....	13%	x%
<hr/>		
Total.....	100%	x%

(Actual total may vary slightly from 100% due to rounding)

<sup>1</sup> Note this column would be included only if the ESCO made an environmental claim for this project.

**ATTACHMENT H  
THIRD PARTY VERIFICATION SCRIPT**

The following script must be followed by the independent third party verifying the customer enrollment. Text in regular bold print must be followed exactly as written. Text in bold italics should include the ESCO information. Third party verification of enrollment must be taped and retained (both questions and customer answers) by the ESCO.

**My responsibility, in speaking to you now, is to confirm that you have agreed to switch your electric supplier to *(ESCO name)* effective *(date)*.**

**Is this correct?**

If response is yes,

**You understand that you will be receiving charges for delivery of electricity from LIPA and charges for electricity from *(ESCO name)*?**

If response is yes,

**You understand that you will have 5 days after receipt of the information packet of your rights and responsibilities, and the terms to which you agreed, to change your mind regarding this switch?**

If response is yes

**Please state your name as it appears on your LIPA account, address and account number.**

If any of the answers are no, customer needs to be transferred back to the ESCO for additional information and the switch is not confirmed and customer cannot be enrolled.

**ATTACHMENT I**

**LIPA'S DIRECT PAY AUTHORIZATION FORM FOR ESCOS AND DRCS**

LIPA's Direct Pay Program for Energy Service Companies (ESCOs) and DRCS will automatically debit or credit your bank account approximately ten (10) days after you receive your bill. If the balance is less than \$100, no electronic funds transfer will occur that month. Please complete all parts of this authorization form. If you have any questions, call us at 1-800-692-2626.

Name: \_\_\_\_\_ Phone No. (    ) \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Name of Depositor: \_\_\_\_\_

Name of Financial Institution: \_\_\_\_\_

**Check One: A.  Checking Account    B.  Statement Savings Account**  
(please enclose a blank check                      (No passbook accounts, please)  
from the account you wish to use  
marked "VOID")

If you checked "B", please ask your financial institution for the following:

- 1. Account Number \_\_\_\_\_
- 2. ABA Routing Number \_\_\_\_\_

I hereby authorize my financial institution to charge the account I have specified for the payment of all bills rendered to me by LIPA and send that amount to LIPA. I agree that each charge to my account shall be the same as if I had signed a check to pay my bill. This authority will remain in effect until I notify LIPA otherwise. If I change the financial institution specified, I will provide written authorization of the new financial institution to LIPA. In addition, I have the right to stop payment of a charge by notifying my financial institution before the account is charged. I understand that both the financial institution and LIPA reserve the right to end this payment plan and/or my participation therein.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_